



Port Arthur LNG

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January 3, 2019

Ms. Amy Sweeney
Director, Division of Natural Gas Regulation
Office of Fossil Energy
U.S. Department of Energy
Room 3E-052
1000 Independence Ave S.W.
Washington, DC 20585

Re: *Port Arthur LNG, LLC*, FE Docket Nos. 15-53-LNG, 18-162-LNG &
15-96-LNG
Information Regarding Internal Corporate Reorganization

Dear Ms. Sweeney:

On August 20, 2015, as amended November 20, 2018, the U.S. Department of Energy's ("DOE") Office of Fossil Energy's ("DOE/FE") granted Port Arthur LNG, LLC ("PALNG") long-term, multi-contract authorization to export 698 billion cubic feet per year (Bcf/yr) of liquefied natural gas ("LNG") to any country with which the United States currently has, or in the future will have, a free trade agreement ("FTA") requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy ("FTA Authorization"). *See Port Arthur LNG, LLC*, FE Docket Nos. 15-53-LNG & 18-162-LNG, DOE/FE Order Nos. 3698 & 3698-A.

On June 15, 2015, as supplemented October 18, 2018, PALNG filed an application with DOE/FE for long-term, multi-contract authorization to export 698 Bcf/yr of LNG to any country (i) with which the United States does not have a FTA requiring national treatment for trade in natural gas, (ii) which has or will develop the capacity to import LNG delivered by ocean-going carrier, and (iii) with which trade is not prohibited by U.S. law or policy ("Non-FTA Application"). The Non-FTA Application is pending in FE Docket Nos. 15-96-LNG.

DOE's regulations at 10 CFR § 590.405 state that authorizations to import or export natural gas shall not be transferable or assignable unless specifically authorized by the Assistant Secretary for Fossil Energy. In applying § 590.405, DOE has indicated that a change in control of the authorization holder may occur through asset sale or stock transfer or by other means. DOE has explained that it construes a change in control to mean a change, directly or indirectly, of the power to direct the management or policies of an entity whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means. DOE has also explained that a rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10 percent or more of the voting

securities of such entity. *See Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas*, 79 Fed. Reg. 65541, 65542 (Nov. 5, 2014).

In December 2018, Sempra Energy began the process of conducting an internal corporate reorganization, whereby the immediate parent company of PALNG changed from Port Arthur LNG Holdings, LLC to Port Arthur Liquefaction Holdings, LLC. Further, three wholly-owned subsidiaries will be included in the line of ownership between PALNG's immediate parent and Sempra Energy. Specifically, Port Arthur Liquefaction Holdings, LLC will now be owned by Sempra PALNG Holdings, LLC, which will be owned by Sempra LNG, which in turn will be owned by Sempra Global Holdings, Inc. All of these companies are indirect, wholly owned subsidiaries of Sempra Energy. An attachment reflecting the organization structure before and after the reorganization is included with this letter.

PALNG submits that no transfer of control has in fact occurred. After the reorganization, Sempra Energy remains the ultimate parent company of PALNG and retains control of PALNG through several intermediate, wholly owned subsidiaries. Further, PALNG does not believe that such a purely internal reorganization raises the type of issues that are meant to be addressed in the DOE's regulations and policies. Accordingly, PALNG respectfully requests that the DOE confirm that no change in control has occurred following an internal reorganization such as the one described in this letter and that no action is required on the part of PALNG under such circumstances.

If you have any questions regarding this submission, please do not hesitate to contact me.

Respectfully submitted,

/s/ Jerrod L. Harrison

Jerrod L. Harrison

Senior Counsel

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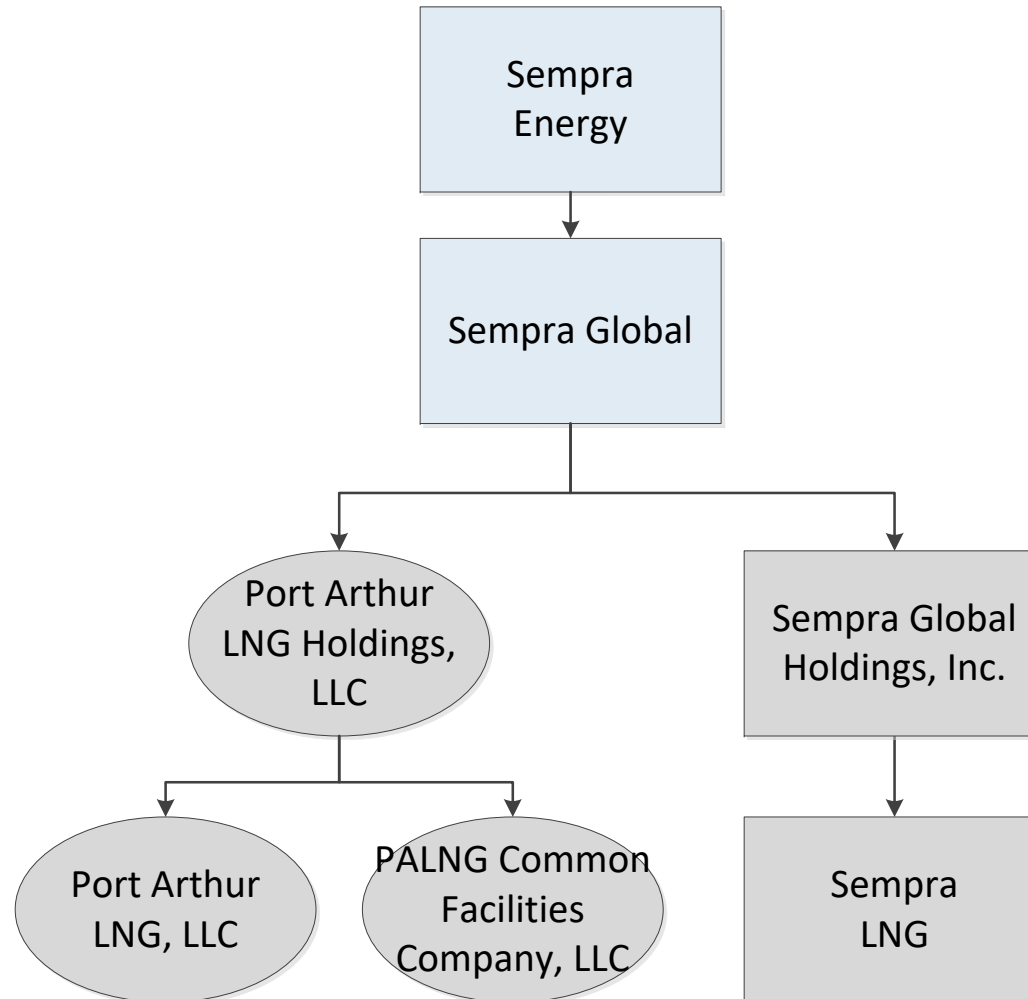
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Counsel for Port Arthur LNG, LLC

cc: Brett A. Snyder, Cadwalader Wickersham & Taft LLP

Attachment

CURRENT STRUCTURE



FINAL STRUCTURE

